

SUBPART 217.2--OPTIONS

(Revised March 23, 2004)

217.202 Use of options.

- (1) Options may be used for foreign military sales requirements.
- (2) Consider use of surge options to support the Industrial Preparedness Production Planning program (see Subpart 208.72). A surge option allows the Government, prior to final delivery, to—
 - (i) Accelerate the contractor's production rate in accordance with a surge production plan or a delivery schedule provided by the contractor under the terms of the contract; and
 - (ii) Purchase additional quantities of supplies or services.
- (3) See Subpart 217.74 for limitations on the use of undefinitized options.

217.204 Contracts.

- (e) Notwithstanding FAR 17.204(e), the period of a task order or delivery order contract, including all options or modifications, awarded by DoD pursuant to 10 U.S.C. 2304a shall not exceed 5 years.

217.208 Solicitation provisions and contract clauses.

Sealed bid solicitations shall not include provisions for evaluations of options unless the contracting officer determines that there is a reasonable likelihood that the options will be exercised (10 U.S.C. 2301(a)(7)). This limitation also applies to sealed bid solicitations for the contracts excluded by FAR 17.200.

217.208-70 Additional clauses.

- (a) Use the clause at 252.217-7000, Exercise of Option to Fulfill Foreign Military Sales Commitments, when an option may be used for foreign military sale requirements.
 - (1) Use Alternate I when the foreign military sale country is not known at the time of solicitation or award.
 - (2) Do not use this clause in contracts for establishment or replenishment of DoD inventories or stocks, or acquisitions made under DoD cooperative logistics support arrangements.
- (b) When a surge option is needed in support of industrial preparedness production planning (see Subpart 208.72), use the clause at 252.217-7001, Surge Option, in solicitations and contracts.
 - (1) Insert the percentage of increase the option represents in paragraph (a) of the clause.

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(2) Change 30 days in paragraphs (b)(2) and (d)(1) to longer periods, if appropriate.

(3) Change the 24-month period in paragraph (c)(3), if appropriate.